

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

-against-

STEFAN QIN, et al.,

Defendants.

20-CV-10849 (JGLC)

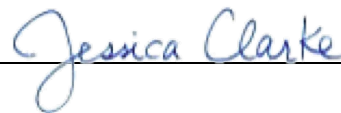
ORDER

JESSICA G. L. CLARKE, United States District Judge:

On February 19, 2024, the Court received an email from purported investors in the Virgil Sigma Fund LP and the VQR Multistrategy Fund LP, regarding, *inter alia*, interest on the recovered assets. *See* Exhibit A. The Receiver is hereby ORDERED to respond to the investors by email by **March 8, 2024**. The Receiver shall further append a copy of this order to that email. The Receiver shall file its email response to the investors with the Court within two business days of that email.

Dated: February 27, 2024
New York, New York

SO ORDERED.

A handwritten signature in blue ink that reads "Jessica Clarke". The signature is written in a cursive, flowing style. Below the signature is a solid horizontal line.

JESSICA G. L. CLARKE
United States District Judge

Address: 16F-2, No151, Sec4, Xinyi Road, Taipei, Taiwan
Email: yichin@hotmail.com
Phone: +886-932-304-851
Date: 09/09/2023

Honorable Jessica G. L. Clarke
United States District Court for the Southern District of New York
500 Pearl Street New York, NY 10007

Re: Responds To Third-Party Receiver's Delay in Fund Release - Case #1:20-cv-10849

Your Honor,

I trust this letter finds you well. On behalf of concerned investors involved in the United States Securities and Exchange Commission v. Qin et al, Case #: 1:20-cv-10849, I am responding to John J. Carney's recent communication dated October 13, 2023.

We appreciate the comprehensive update on the progress of asset recovery efforts undertaken by his team. The recent securing of \$3,617,769.74 funds in escrow is duly noted, and we commend his team's diligence in this endeavor. However, the overall financial statistics underscore ongoing challenges for the investors.

1. Financial Overview:

As of December 31, 2023, the total assets recovered amounted to \$45,020,913. It's crucial to note that \$29,968,833 was initially frozen by the SEC on day one. Excluding this amount, we acknowledge the commendable additional recovery of \$15,052,080 since the case's inception.

2. Costs Incurred:

We express concern about the substantial costs incurred in achieving this recovery. The receiver's expenditure of \$12,008,809 to recover \$15,052,080 prompts scrutiny, especially when considering the net recovery for investors stands at \$3,043,271 over the last three years. This concern is compounded by the anticipation of additional fees and costs in this coming year.

3. Interest on Assets:

We've observed that there is no interest accruing on the recovered cash. Considering that money market fund rates are currently near 5%, we expect interest accruing on the assets at similar rates. To illustrate, a 5% interest on \$30 million in cash should yield \$1.5 million a year. We are curious as to why no interest was accrued on our assets and seek clarification on where the assets were held in custody.

4. Summary:

We are concerned about the limited overall benefit to investors over the past three years. The urgency of the matter cannot be overstated. Families are dependent on these funds for their livelihoods, and the prolonged resolution poses an unbearable burden on their well-being.

In light of this, we eagerly await the motion to the Court setting forth the proposed process for the determination of claims during this quarter. The timely resolution of this matter is paramount, and we trust that the Court, in its wisdom, will consider both the financial intricacies and the human element to ensure a fair and expeditious resolution.

We extend our appreciation to the third-party receiver for the dedication and diligence demonstrated thus far. We remain hopeful for a collaborative effort that leads to a swift and just conclusion.

Your understanding and continued commitment to this matter are crucial in bringing much-needed relief to the affected investors. We anticipate a resolution that prioritizes the swift release of assets.

Thank you for your consideration.

Sincerely,

Yichen Lee

DocuSigned by:



List of Investors

Benedict Tse

DocuSigned by:

Johnson chow

DocuSigned by:

MARSELLE MA

DocuSigned by:

Ziqian Jia

DocuSigned by:



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William J Weathers

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Jonathan Lau

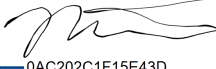
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Ronnie Fok

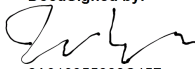
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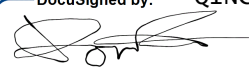
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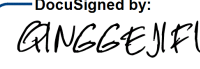
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Chee Yang

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Kowk wing chan

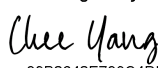
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Tenghe Hu

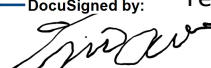
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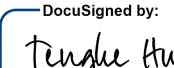
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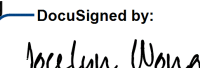
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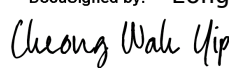
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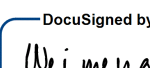
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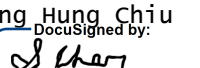
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Crystal Chen

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Ying Liu

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Doris Ho

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Mark Gorton

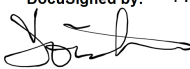
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Yue Guo

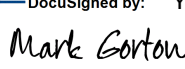
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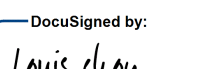
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